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Equalization of assessments and new...

Philadelphia

1913

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EQUALIZATION OF ASSESSMENTS AND NEW SOURCES OF REVENUE

AN ADDRESS

DELIVERED BY

MAYOR BLANKENBURG

TO

The Business Men's Associations of Philadelphia

On January 20, 1913

With Statement by the Board of Revision of Taxes in Criticism or in Denial of a few of the Charges, and the Mayor's Answer Thereto

308
-2
Box 138

Mss 10/3/23

ADDRESS

BY

HON. RUDOLPH BLANKENBURG

TO THE

BUSINESS MEN'S ASSOCIATIONS OF PHILADELPHIA

In the Ball Room of the Bellevue-Stratford Hotel

January twenty, Nineteen hundred and thirteen

Mr. E. J. Berlet acted as Chairman of the meeting.

Mr. Blankenburg.

Mr. Chairman and Gentlemen:—This meeting was not suggested by me, it came to me as a suggestion, and when asked whether I would address an assemblage of officers and members of the many and varied Business Men's Associations in Philadelphia, I accepted with a great deal of pleasure. We have more than a hundred Business Men's Associations, all of them, as far as I know, and as far as is known to the original associations, composed of citizens who are deeply interested in the welfare of their City and the well-being of their fellow citizens. Let me say to you that there is no body of men in any community that can exert a greater and better influence for the public good than the business men, if they will. They have proved it on a number of occasions and they can and will again show their power for good whenever the occasion arises.

It seems strange, in this enlightened age, that it should be necessary to go before the people and recommend and urge upon them an efficient, good, honest business administration. It is as much the interest of one citizen as it is that of another to encourage an administration that will be of the greatest benefit to the greatest number. Unfortunately, in years past, many of us have neglected our duty and have under-estimated our power, and that is the reason why, instead of business, politics have held sway and have ruled our municipality to our great loss and detriment. Not only ours, but municipal-

ities all over the land have suffered, and are suffering, from the same causes.

It should be nobody's concern what my national politics are when it comes to municipal administration. I am as good a partisan as the next man while partisanship keeps on the straight path, but above everything else, first, last and all the time, I am an American. We have forgotten, to a great degree, that we should be Americans before we are partisans, and through this neglect, designing men who care little for the general weal, but do care for and foster their own interests, have assumed the reins of government and have placed us in very unenviable light before the country. A man may be a politician and be honest, but if he uses his partisan prejudice as a power to further unsavory purposes and his own selfish ends, the sooner we get rid of him the better it will be for the community.

We had quite a revolution a year ago last November. Your humble servant, by sheer luck, I suppose, happened to win. They didn't know how strong the popular resentment was, and they didn't count upon the large majority that would be given to the Reform candidates. Why was I elected Mayor, and Mr. Ryan City Solicitor?

Not many years ago we had an election for District Attorney, Mr. Rothermel being the Independent candidate; John Weaver was his opponent. Mr. Rothermel was "persona non grata" with the then Organization because he had been faithful to his official oath in the prosecution of a certain politician who was accused of grave crimes. Such faithfulness was a crime in the eyes of the organization, intensified by his nomination on an Independent ticket. I shall never forget the outpouring of the people at the Academy of Music and the eloquent pleas made for the retention in office of an honest official. Mr. Rothermel was defeated—not at the polls but at the counting of the ballots. Four years afterwards some of the very men who had opposed him and knew of the gross fraud, admitted that 70,000 fraudulent votes had been cast or counted. At that time 370,000 or 380,000 names appeared on the Assessors' list as qualified voters. They could place any number on the lists in those days. There were only about 265,000 votes cast at the last Presidential election, although we have 300,000 more people in this City now than we had ten years ago. Draw your own conclusions. Is not the late election the grand result of an awakened public conscience? You can deceive the people and mislead them for years, but there is a limit to everything, and we have reached that limit.

Gentlemen, shall we stand still, or shall we go forward in this great movement for the redemption of our municipality? That is the question I want to place before you this evening; that is the question which interests every man, woman and child in Philadelphia, and to bring about such results is why I am here to-night to address this splendid gathering of Philadelphia business men.

I want to lay before you certain facts and data. In the first place, the greatest trouble that besets the Administration is the lack of funds. We have been trying our best to raise the necessary revenue to carry on the ordinary business of the City administration. We are to-day between three and four million dollars short of the amount required. I have proposed a number of sources of revenue, which have been quite freely discussed in the newspapers. Some have been approved, others have been condemned. I constantly read in the papers letters written by various citizens, many of whom are lacking in courage to sign their names to their communications. I have little use for a man who fears to stand up and be counted. Not a critic, as yet, has been able to point out new sources of revenue that seem acceptable to the taxpayers. They all find fault with my suggestions but they have no remedy to offer to cure the evil. I ask you business men to help me and make suggestions that will solve this problem.

Let me call your attention to a few new-revenue suggestions made by me.

The personal property tax, of which a quarter goes to the State of Pennsylvania, should all go to the City of Philadelphia. No one objects to that except, perhaps, some of the country members of the Legislature who think whenever Philadelphia or Pittsburgh want legislation there must be a snake in the grass. It is hardly to be wondered at that they feel that way. We will give them proof, however, that to-day they need have no fear whatever of the cities trying to take advantage of the country. All we ask is justice for Philadelphia, and we are willing to give them justice in return.

Another source of revenue that justly ought to come to Philadelphia is that derived from the mercantile tax. Why should the mercantile tax go to the State when the State does not protect our merchants, does not pave, clean or patrol our streets? Frankly, I do not know a single legitimate reason why the mercantile tax should not go, in toto, to the City of Philadelphia.

Let us go to Harrisburg and speak on this subject to the Legislators, they are reasonable and will listen.

A tax on automobiles has been suggested. Chicago collected from this one source, in 1911, $550,000. We collected practically nothing. It will not very much affect the owner of a $5,000 automobile or of a cheaper car, to pay a reasonable tax. We take care of, pave and clean the streets for him; we give him police protection, and we also watch that he does not go too fast, if he does, and violates the law, he should be fined for the benefit of the City Treasury. Why should he not pay a reasonable amount of tax?

Then there is the tax on cigars and cigarettes. Even cigar stores are in favor of a tax of that character, because they claim that if such a tax is imposed, there will not be so much cigar and cigarette selling done by those who are not in the legitimate business of selling the weed.

I suggested other sources of new revenue that almost got me into serious trouble. This is only an informal talk, and I speak just as I feel and I feel just as I speak. I was bold enough to suggest a slight tax on manufacturers. Deep silence, nobody applauds! Everybody probably feels "That affects me, therefore I object." "If the tax affects my pocket, I shall oppose it. I am quite willing, however, to let the other fellow pay."

We manufacture $750,000,000 worth of goods a year. A tax of one dollar a $1,000 would enrich the Treasury by $750,000. On a locomotive costing $15,000 it would be $15. The Baldwin Locomotive Works will not turn away any business on that account; in fact, it would be easy to add this trifle to the selling price. Take the Stetson hats. Five thousand three-dollar hats would pay but $15. If a man wants to build a house and gets an estimate of $15,000 will be stop because it will cost $15,015? I am not an advocate of taxing our industries, but we must have more revenue. We must get it somewhere, and as we are treating our manufacturers liberally in the assessment of real estate, their factories and mills, which are assessed at an average of only 45 per cent. of their real value, for land, and buildings, they should willingly help. If we cannot get revenue from this or other sources, we must increase the tax on real estate, and that will hurt them more than a dollar for each $1,000 of goods manufactured.

A source of revenue which should long have been bringing larger returns is from licenses. The charge for licenses, of which large numbers are yearly issued, should be increased. Present charges date back fifty-five or sixty years. We could derive an amount of not less than half a million dollars, and, perhaps, $750,000 a year by a revision of license and other fees. We are considering this question at the present time.

Chicago derives an income of $131,000, I believe, from the tax on dogs. A letter appeared in the paper the other day in which a lady complained bitterly that she should not be deprived of the pleasure of having a pet dog by imposing a tax of $1.00. Another letter appeared in another paper, which said: "You ought to charge those miserable dogs at least $100 a piece." I am reasonable; $1.00 a head would be about the right tax. In 1911 the dog tax collected in Philadelphia amounted to $47.50.

Another source of revenue is an occupation tax. It may be news to you, as it was to me, until I investigated the question, that an occupation tax is levied in nearly every county in the State of Pennsylvania. We have tens of thousands of people in Philadelphia who do not pay any direct tax whatever. The only tax they pay is fifty cents every two years for poll tax, and that tax is too often paid for them. If we tax the different occupations—physicians, dentists, lawyers, architects, clerks, salesmen, preachers and many others; if we charge on equitable amounts for various occupations a five mill tax, we could collect a large sum. This would also enable us to substitute an occupation tax for the much-abused poll tax, and would assist in abolishing the Assessors, costing about $100,000 a year, an absolutely superfluous body to the general public, but of great use to the men who have been running the government of the City of Philadelphia before the advent of the present Administration. A friend of mine, an attorney of some twelve or fifteen years' practice, said: "I have an income of twelve to fifteen thousand a year and I have never paid a dollar tax, except a poll tax. I am anxious to help pay for the maintenance of the municipality in which I live."

The questions propounded and discussed so far are of comparatively little importance, and I now come to the subject which I shall make the main point of my address this evening: The imposition of real estate taxes through assessments made under the supervision of the Board of Revision of Taxes.

The most serious question confronting us to-day, so far as the finances of the City are concerned, is the assessment of real estate. On former occasions I have given my judgment of the methods and the work of the Board of Revision of Taxes, and I made a promise not long ago that I would lay facts before my fellow citizens that would convince them that this Board is antiquated, follows

no system, is a power unto itself and a detriment to the solution of financial problems in Philadelphia, and should be superseded or abolished.

The present system of assessing property for taxation in the City of Philadelphia should be changed for many reasons.

Those now charged with the duty of fixing values on which taxes are collected are not responsible either to the people direct, to the elected representatives of the people, or even to the power that appointed them. In other words, they are neither elected by the people nor appointed by the Mayor; they are a greater power even than the City Councils.

This is an intolerable condition, for there is no redress for the people whose property they may fully tax, on the one hand, or greatly undertax, on the other. They are beyond control by Councils or by the Chief Executive of the City, whose whole policy, or ability to carry out a policy, rests upon the financial support which, in the final result, must be largely determined by the amount equitably assessed against real estate. Neither the people who pay taxes nor the authority charged under the law with the important work of expending moneys derived from taxes have the slightest control over this body of men who possess autocratic power to increase or hold at a stationary point the assessed valuation of every property within City limits. Do not let us forget that, while the present Board of Revision of Taxes owes appointment to the Board of Judges, the Judges come only once in ten years before the public for re-election. Consequently, the power which appoints the Board of Revision of Taxes is only at long intervals brought before the public for a test of condemnation or approval.

It would be impracticable, almost impossible, therefore, for the people to express their disapproval of the appointment of the Board of Revision of Taxes at the polls because such disapproval would have to be manifested at six different elections. It could be made most effective and telling if the question could be submitted for decision at a single election. If this might be done at a single election, the Board of Judges, with all due respect, would not appoint men suggested by politicians, but would advise with the Business Men's Associations of Philadelphia and ask them to suggest names. Then we might have a Board of Revision of Taxes upon which we could rely for business-like and reliable work.

Judges who hold office for terms from 1913 to 1922 ought not to have the authority to appoint a powerful

body, responsible to no one, to assess taxes in Philadelphia. An Act will be introduced in the Legislature at Harrisburg to abolish this system, and we want your assistance, my friends. Let all business men's organizations combine and help. Such an Act would bring about daylight in our present financial condition. If we had equitable assessments, there would be an increase of not less than $300,000,000 in taxable property, and that would mean $3,000,000 a year added to the revenue of the City. No one would be hurt, because every one would pay his just share of the taxes. I would like you at your next meeting (call a special meeting if necessary) to appoint committees from every business men's association. Then let the whole party take a special train to Harrisburg, and I volunteer to go with you to help obtain this great reform.

A change is necessary because the present system imposes an impossible task upon an honest man, or it may open to a weak man a wide range of opportunities for questionable action. All modern systems of assessment include provisions for the separate assessment of land and improvements. In all recent attempts to simply revise old methods it has been recognized that to ask a man to value land and buildings together, in a city continually growing and adding new elements of value each year, is to ask the impossible even of the most expert or honest man. It must be recognized, also, that the relative advance in values in one section of the City affects all sections, and there must therefore be, in the mind of the assessing power, ability to see the City as a whole, rather than separated into individual districts or wards.

In certain sections of Philadelphia property has long remained unimproved, passing, by transfer, for a nominal consideration, from one owner to another in the same family. Where two or three large parcels of land carrying these features lie together, a considerable area is left without record of sale during a long period of years. In such circumstances the assessor is generally met with a plain refusal on the part of the owner to put a value on his property, such owner even refusing to give real estate agents a value, resting content with merely refusing offers without naming any selling price. Here is a case in which it is most difficult for an assessor to estimate the market value of the land, for there are no public sales to guide him and no opinions which can be relied upon available for his information. Nearly every section of unimproved land, such as has been described, lies within a short distance, however, of an improved section where

values have been established by actual transactions, sometimes the same property changing hands three or four times within a range of five years. If we followed a rational system, this unimproved land would carry a valuation at a fixed proportion of that carried by nearby improved properties, and thus automatically establish its assessable value. notwithstanding the refusal of the owner to assist the authorities in arriving at an equitable arrangement. By application of a general rule, buildings should be valued either on floor space or on cubic measurements, values being attached to various types of buildings with a varying value for each type.

Two great rivers border on land much of which is unoccupied, offering exceptional facilities for harbor development and, coincident with harbor development, recovery of material from rivers which can be used for filling land to saleable level. In this section large bodies of property have been held by the same families for several generations, and here, as in the West Philadelphia residential land, and, also, in land in the northeastern section of the City, it is often impossible to get owners to put a value on their property. Moreover, as it is unimproved property and pays no current revenue, it is difficult for an assessor to base his estimate of value on the percentage of income. Sales in these sections are of rare occurrence, and where made, are either for a nominal consideration or have, in the transaction, some special feature which renders the sale unavailable as a measure of surrounding values. And yet, when the City has attempted to buy property, or certain outside interests have made such an attempt, the prices offered and refused have been far in excess of the assessed value in the latest year of record.

Two cases will illustrate this point. When a Congressional Committee visited Philadelphia, seeking for a site for an emigrant station, a certain property, recommended by a body of local business men thoroughly familiar with local values and conditions as being well adapted for the Government purpose and cheap at $3,000 an acre, was, at the time this valuation was placed upon it, carrying an assessment of less than $500 an acre; indicating that its owner was paying taxes to the City on only one-sixth valuation, whereas the great bulk of small residences owned by our skilled labor were paying on a basis of 100 per cent. valuation, in some cases even more.

In another case some property assessed at $300 an acre was held at $3,000.

As illustrating the point that the present system is utterly fallacious; that under it there is opened the opportunity for serious errors and even for wide fraud; seventy-two illustrations are taken from actual transactions of purchases by the City as a part of the opening of the Northeast Boulevard. These purchases are contrasted with the next preceding assessment and then compared with the price paid for the property in question. The record discloses the fact that the price at which the property was assessed previous to purchase by the City ranged all the way from only six per cent. to sixty-three and two-thirds per cent. of the price at which sale was finally made. Fourteen of the seventy-two transactions show that the property was assessed at less than twenty per cent. of the selling price; twenty-five at less than thirty per cent.; nine at less than forty per cent.; eleven at less than fifty per cent.; only three properties being over sixty per cent. I cannot help but call this refined robbery, which has cost the City over a million dollars. This vast sum has been paid to men, some in high office to-day, and naturally opposed to any change in the method of assessing real estate.

Now let us cover a broader area of the City—the Northeast Boulevard operations being confined to the Forty-second Ward. Records kept of sales either to the City or reported in the press cover operations in twenty-seven of the forty-seven wards, these wards representing every section of the City—North Philadelphia, South Philadelphia, West Philadelphia, the center of the City, vacant property, farm property, property at the heart of the business center. Eighty-two separate transactions are represented, and here the assessment ranges all the way from thirteen and one-third per cent. of the selling value up to one hundred and ten per cent., the fact being repeatedly disclosed of a mortgage for a sum considerably in excess of the total assessment of the property. In one case, I am informed by an expert on these matters, that ten building societies combined to take a $200,000 second mortgage on a central business property, such mortgage being entirely beyond the limit of the assessment made by the City for the property.

The most remarkable illustration of the vagaries of assessment is furnished by the case of the Philadelphia Driving Park. This property shows on the assessors' books sixty-three acres and thirty-four perches of land, at $39,000. This assessment has remained unchanged since 1907. The report of our expert states that this tract was sold about a year ago for $120,000, although assessed to-day at $39,000, the sale mentioned being $95,000 on mortgage and $25,000 cash. Since sale was made $100,000 in

A

improvements has been made on the property by the new owners, and its value has been further enhanced by the extension to the properties of facilities which give it a full supply of City gas and City water. The report of expert also states that this sixty-three acres of land was sold ten years ago by Barnes & Lofland for $47,500, and yet for ten years the assessment has continued below this recorded sale price. The assessment for 1912, of $39,000, therefore, is thirty-two and one-half per cent. of the latest selling price, as reported by our expert, and only seventeen per cent. of that selling price with cost of improvements, namely, $100,000.

In the section of the City to the south and east of this driving park stretches a wide area of unimproved land. Some twenty-five of these properties have been investigated and their assessment found to range from $149.46 an acre up to a maximum of $606.06 an acre, save in one small instance, when a special tract was sold of four acres, carrying a farmhouse and frame barn. Two experts, who have examined this property, place an average valuation ranging between $5,000 and $10,000 an acre. Even accepting the lowest estimate, this great stretch of property, in a section where the City has been expending or is obligated to expend, millions of dollars in public improvements in the shape of League Island Park, Broad Street Plaza, South Broad Street Boulevard, widening of Delaware avenue and the creation of new docks, seems to be paying less than one-tenth of the tax burden carried by the owners of small houses throughout the City of Philadelphia. The property is held in large parcels, and in the majority of cases, by wealthy people, sometimes having been in one family for generations. Circumstances surrounding its physical condition and its ownership make it difficult for outside or small operators to secure portions of the property in question, and by purchase establish a range of value approximating its real value. In cases of this kind, therefore, a general rule applying to the whole City would arbitarily fix a valuation equitable alike to owners and to other taxpaying citizens of the City.

In West Philadelphia there are numerous instances where the assessed valuation of property is quite different from that suggested by assessment of neighboring property or sale price of properties in the vicinity. Complaint having been made to the office regarding the over-assessment of a certain property, investigation disclosed the fact that a property on one side of the street was assessed for $4,800, while two properties opposite, containing four

times the area and four times the street frontage, had a combined assessment of $5,600, or both only $800 more than the house opposite.

Perhaps the most serious indictment of the present system of assessing is found in the circumstance that the assessments seem to be based on no rule or settled practice.

Another feature is that exempt property will frequently remain without change in value for many years, while other exempt property will suddenly start to advance, continue this advance for several years, culminating in some project to sell this heretofore exempt property to the City at a high price. In one important residential section a corner property, carrying a home, has remained unchanged in its assessment for nine years, while property in the same block has increased one hundred and fifty per cent. On one-half of a lot adjoining this corner property, with its unchanging assessment, assessed at $2,300, there was erected, during the past six months, a $7,000 building. The 1913 assessment for this property shows an addition of only $3,700, although $7,000 of new investment has been made upon it, and the erection of this handsome building has certainly added to the unimproved half of the property.

In another instance a large cemetery, in 1907, was assessed for $100,000 on the exempt list. Later it was decided to open a street through part of this cemetery and the City paid over $60,000 damages. Then an eighth of its total area was marked off and assessed at $50,000, to be combined with two small properties and offered to the City as a park at a large advance. After it had lost one-eighth of its area and the company had already received 60 per cent. of its present assessment in cash, for a narrow strip used as a street, the remaining portion was assessed at $200,000, making a total in assessment of $250,000 for a property assessed five years ago at $100,000. In the interim the City had paid the owners over $60,000 in money damages for a small strip. In this instance, over $200,000 has been added to the assessment of a $100,000 property, and yet, in the immediate neighborhood many properties can be found that have been left unchanged in assessment during the whole period. It would not be surprising if the remaining section of this cemetery, at its largely enhanced assessment, should be offered to the City at a price perhaps double its present assessment, or five times its assessment five years ago.

Another property later offered to the City for park purposes—in fact sold to the City for park purposes—

was assessed at $1,000 per acre in 1907; $1,500 in 1912; sold to the City at over $4,100 per acre. In a different section, another piece of property increased from $1,000 to $5,000 an acre in the five years preceding its purchase by the City. Yet, in both cases, property in the immediate vicinity remained unchanged in its valuation.

In still another section of the City a property which ultimately came into the possession of the City as a park, was assessed at $1,000 per acre in 1907; $1,500 in 1912; increased in 1912, when it was proposed to sell to the City, to $175,000. The award of the jury for this property was $151,360, or less than the assessment of 1912. The jury could not concur in all of such bare-faced robbery.

The following examples are illustrations of the injustice of present assessments. They are reported to me by men who are personally interested in the properties referred to.

One property, occupied for business purposes on one of our leading streets, was assessed for $115,000. The owner appealed to the Board of Revision for a reduction from this assessment, at the same time that he was refusing an offer of $170,000 for his property.

A valuable business property in a rapidly developing section is assessed for $100,000. The owner, at the time assessment was made, was known to have refused $150,000 for the property in question.

One of the largest buildings recently erected in the City, I am informed, carried with it option to purchase for $1,500,000. I am further informed that $100,000 had been bid for this option to purchase at $1,500,000. In face of this apparent market value of $1,600,000 the building is assessed for only $1,000,000.

B Coming to the center of the City, an illustration is found under the shadow of City Hall. Business property, for years occupied as a stable, later as a garage, long prevented the erection of a handsome building which would have paid large tributes to the City in the form of taxes. This property is situated opposite the City's own investment of nearly $25,000,000 in a public building. It owes a large part of its value to this investment by the City and certainly should have been expected to contribute to the City's support. This property recently sold for $850,000, although only assessed for $650,000, indicating that the property has only been assessed for 75 per cent. of its value—this under-assessment robbing the City of over $3,000 a year income.

Passing now to the central northern section, on Old

York road, in one of the most rapidly developing sections, property was sold for $90,000 for improvement, its assessment being $47,300. This property was surrounded by improved properties and its value easily ascertainable, and yet the City's borrowing capacity and the City's income were limited for years because this property was not assessed at more than 52.5 per cent. of the selling value. Owners of this property have refused to improve it or allow others to improve it, and their immense profit is due solely to the work of other people whose money and capital developed the section, and to the culpable negligence of the assessing powers.

On Thursday morning, January 16, the Public Ledger bears record of sale of property at 634 Market street, southeast corner of Seventh and Market, lot 20 feet 4 inches by 95 feet in depth; sale being made by the Pennsylvania Company to David C. Folwell for $135,000. A transfer is made by D. C. Folwell to the Finance Company of Pennsylvania for a nominal consideration, subject to a mortgage of $120,000, the assessed valuation of this property is given as $100,000.

An unanswerable objection to the present system of assessed valuation of property, for taxation, rests on the power which it bestows to withhold from the City Treasury, by under-valuation, large sums of money, and, on the other hand, to take from the City Treasury vast amounts by insensate and inexcusable advances in assessments when the City is the purchaser. Many such instances might be cited. It is difficult to analyze motives, but many transactions open the door to very unpleasant interpretation. For example: In one case property was systematically advanced in assessment for several years and then sold to the City at an exorbitant price. A peculiar feature of the transaction was that after one of the advances the property was reduced from City to suburban rate. This reduction lends color to the suspicion that it was the desire of somebody to make the burden on the owner of this property as low as possible until such time as he was able to unload the property on the City at a high price. Any system which makes it possible for an appointive official, such as an assessor, who holds office from another appointive body (both not in any way responsible to anybody), to exercise unrestrained power of taxation, should be abolished.

Another point should not be overlooked, it is an important one. In every State and in the national Government, from the earliest day, the right of the taxpayer is upheld to have the imposition of taxes placed in the

hands of officials who come before him for public approval or disapproval from time to time. Under the present system there is absolutely no public control of the assessment, and as this control has been surrendered, the old right of the people to have a voice in the fixing of their tax burdens has been taken from them.

The Board of Judges who appoint the Board of Revision of Taxes come before the people for election at various times, on the expiration of their ten years' term, never as a whole body. Their terms expire as follows: one in 1913, one in 1914, two in 1915, two in 1917, six in 1918, three in 1922. It would be impracticable, almost impossible, therefore, for the people to express their disapproval of the selection of the Board of Revision of Taxes at the polls, because such disapproval would have to be manifested at six elections. It could be made most effective and telling if the question could be submitted for a decision at one single election.

The whole method is a violation of every principle on which Republican government is founded, and I am confident that when it is clearly understood by the people of Philadelphia they will feel that indignation against the system, irrespective of those who carry it out at the present day, which actuates me in my earnest but honest criticism upon the existing order, and my demand for a new system in hamony with the principles of our government.

Here are a few examples of gross under-valuation of real estate, taken at random from wards in all parts of the City. All figures, representing the most recent assessments, are for the year 1912. The figures for 1913 have not been available in preparation for this evening's statement. What changes they may show as a result of recent criticisms of the work of the Board of Revision of Taxes, I do not know.

Ward.	Location.	Assessed Value.	Price Paid.
9.	Southeast corner of Thirteenth and Cuthbert streets	$40,000	$58,000
8.	1315 Sansom street	15,000	30,000
42.	Nurseries: Old York Road above Wyoming avenue	47,300	90,000
9.	1420-28 South Penn Square	600,000	850,000
10.	Northwest corner of Thirteenth and Cherry streets	40,000	135,000
15.	Southwest corner of Seventeenth and Wood streets	15,000	48,500
1.	Southeast corner of Sixth and Mountain streets	7,000	10,000
15.	1901 Vine street	8,600	25,000
15.	1903 Vine street	8,500	20,000

Ward.	Location.	Assessed Value.	Price Paid.
15.	1905 Vine street	8,400	20,000
15.	1907 Vine street	8,700	30,000
15.	300 North Nineteenth street (Nineteenth and Pearl streets)	3,900	6,000
15.	302 North Nineteenth street	3,800	5,700
15.	304-306 North Nineteenth street	7,400	11,500
15.	1906 Wood street	2,100	3,750
15.	1918 Wood street	2,000	3,500
15.	1922 Wood street	$3,100	$6,000
42.	West side of Ninth street and Lindley avenue	850	2,250
40.	Northwest side of Woodland avenue, 240.5⅞ feet southwest of Cobbs Creek Parkway; 161.2⅞ feet on Woodland avenue to centre line of Cobbs Creek, irregular in depth	10,000	30,000
14.	North side of Spring Garden street, 313 feet west of Thirteenth street	18,000	25,000
39.	East side of Broad street, 74 feet south of Ritner street	8,500	14,500
46.	East side of Fifty-seventh street, 80 feet north of Pine street	3,000	5,250
40.	North side of Upland street and the east side of Cobbs Creek Parkway.	18,000	120,000
46.	South side of Washington avenue and the east side of Fifty-seventh street and the northwest side of Baltimore avenue	15,000	42,500
8.	1418 Walnut street	128,000	250,000
37.	2529-49 North Broad street	16,000	70,000
21.	Northwest corner Magdalena street and Monastery avenue	15,000	40,000
21.	Northeast corner of Reading Railway and Ridge avenue	600	6,000
5.	East side of Seventh street, 47.9 feet south of Delancey street	2,300	4,500
40.	Southeast side of Forty-seventh street and north side of Paschall avenue.	6,500	15,000
34.	North side of Summer street, 139 feet east of Fifty-seventh street	1,000	4,800
15.	1703 Spring Garden street	10,000	14,000

Now let us turn to another side, when it is the City's turn to pay for property wanted for its own purposes and placed upon the City plan. The action of the Board of Revision of Taxes in these cases certainly needs an explanation that will explain, or a serious charge of favoritism to the owners of the properties affected, at the expense of and serious loss to the City, will remain.

In November, 1911, an ordinance was passed by Councils and signed by my predecessor, placing upon the City plan properties embracing the west side of Sixteenth street, from 108 North Sixteenth street to Cherry street, and almost all of the south side of Cherry street, west to Seventeenth street. The acquisition of these proper-

ties was for the benefit of the American Philosophical Society. The fine structure contemplated by this Society would certainly be an ornament to the Parkway.

Immediately after the placing of this plot of ground on the City plan a most remarkable advance in the assessed value of properties affected was made by the Board of Revision of Taxes. Why were these properties advanced overnight, so to say, in value from thirty-three and one-third to three hundred per cent? Was it because the City was to be the purchaser—the patient, long-suffering municipality, so long used to pay exorbitant and unreasonable prices?

Compare these figures:

(1911 assessment before, 1912 after being placed on City plan.)

Location.	1911.	1912.
108 North Sixteenth street	$6,000	$10,000
110 North Sixteenth street	5,000	7,500
112 North Sixteenth street	5,000	7,500
114 North Sixteenth street	6,000	9,000
116 North Sixteenth street	3,500	11,000
118 North Sixteenth street	4,500	8,000
120 North Sixteenth street	5,500	8,000
122 North Sixteenth street	5,500	8,000
124 North Sixteenth street	3,000	6,500
126 North Sixteenth street	3,000	6,500
128-30 North Sixteenth street	10,000	21,000
1606 Cherry street	6,000	8,000
1608 Cherry street	6,000	8,000
1610 Cherry street	6,000	8,000
1612 Cherry street	5,000	7,000
1614 Cherry street	9,000	12,000
1616 Cherry street	5,500	7,500
1618 Cherry street	6,000	8,000
1620 Cherry street	4,700	7,500
1622 Cherry street	5,000	8,500
1624 Cherry street	5,500	8,500
1626 Cherry street	5,500	8,500
1628 Cherry street	4,700	8,000
1630 Cherry street	5,500	8,500
1632 Cherry street	4,500	7,500
1634 Cherry street	5,000	8,000
1636 Cherry street	6,000	9,000
1638 Cherry street	8,000	10,000

A remarkable contrast to this swollen assessment is the fact that properties on Cherry street, from Sixteenth street east to Fifteenth street, nearer to central Broad street and more desirable for business purposes, remained absolutely unchanged from 1911 to 1912. For instance:

Location.	1911.	1912.
1506-08 Cherry street	$3,500	$3,500
1510 Cherry street	2,300	2,300
1512 Cherry street	2,700	2,700

And so on up to No. 1540.

The same contrast is shown in the assessments on Fifteenth street, a square nearer to Broad street, there being no advance from 1911 to 1912 in assessed values. That property nearer to the center of the City should remain stationary in assessment at the very time when that farther away jumps from thirty-three and one-third per cent. to three hundred per cent. in valuation is a mystery I cannot solve.

This short statement, which can be multiplied many times, should open the eyes to the necessity for a radical change in the real estate assessing of Philadelphia. For, in 1913, the Board of Revision of Taxes, ignoring the average increase for five years, which was $56,620,000, increased the assessments by only $22,531,000. I wonder why this was done. Do you know? Can you guess?

Much has been said by our opponents about the claim of savings made by the Administration not being based upon fact. Indeed, I am told that one gentleman is preparing a statement showing that the expenses are higher and the waste is even greater than under the previous administration. I am looking for that man, and I am waiting for such statement. If he won't be sorry if he ever writes it I miss my guess. A great many things have been investigated under the present Administration that have not yet seen the light of day.

One increase in expenses that has been charged against me and criticized almost from the day I assumed office—the increase in the salary of the Secretary to the Mayor. I could employ a secretary at $1,000. He would be worth $1,000 a year and not a cent more. I could pay $2,000 or $3,000 and never get the right and efficient service that is indispensable in this position. But the Mayor of Philadelphia needs more than a secretary-clerk; he needs a right hand, a right arm, a man of integrity, activity, brains and experience, and such a man earns every dollar of his salary. In spite of the increase of $3,000, the total salary increase of the Mayor's office amounts, through the aboltion of one position, to only $1,338. The total expenses during the Mayor's first year in office, on the other hand, including automobiles and official entertaining, are less by more than $25,000 in 1912 than in 1911.

We have been buying properties on the Parkway at ten per cent. advance over the assessed value—in all 165 properties—and the people who sold them to the City were quite satisfied. A stop has been put upon the inexcusable prices formerly taken from the City Treasury.

The Director of Public Works has done remarkable work. The City pays, at the present time, $1,000 less

in wages each working day in the year than it did in 1911, and it gets much more efficient service. This means an annual saving of $312,000 of the taxpayers' money. You will hear additional good news a little later.

We are doing things.

All grade crossings will be abolished in the near future. The question of the subway has earnest consideration and investigation. New docks and wharves would by this time be advanced largely if we had the money. It takes two to make a bargain, and when you deal with corporations it is natural that negotiations should take time.

Let me refer fathers and mothers to the work of Dr. Neff and the boby-saving show. By it the lives of three hundred or four hundred dear babies were saved last year. Dr. Neff is devoted to and in love with his work, and is doing excellent service.

Look at the police to-day. They are much more polite, efficient and eager to do their duty than they have ever been. They are out of politics, they no longer pay assessments. They are American citizens; formerly they were Organization slaves.

I do not want to touch upon the question of gas to-night. Mark, though, where there is a will there is a way–The one way to do a thing is to do it. The consumers of gas are entitled to enjoy cost price; the City ought not to have that revenue. A friend of mine suggested: "Suppose we reverse the case, and that to-day the City should suddenly say (after we had enjoyed eighty cent gas for years): 'We shall hereafter impose a tax of twenty cents a thousand cubic feet upon the consumers of gas.' There would be mass meetings all over the City. The Academy of Music and the Metropolitan Opera House would not hold the protesting crowds. It would be a repetition of the gas steal protest of 1905."

In conclusion, I am glad to say that the atmosphere around the City Hall has changed materially. There is very little idling now. All are working from nine in the morning until five in the evening. Formerly, office hours were from nine in the morning until any odd hour that suited. There is a different spirit, a new spirit, in Philadelphia. Let us take advantage of this new "spirit," realize that we have been slumbering too long, that we can and must do things in harmony with the awakened thought of the twentieth century.

Gentlemen, the Legislature of Pennsylvania met in regular session at nine o'clock this evening. We have prepared and are preparing a number of laws that will benefit the City of Philadelphia without in the least affecting

or injuring the State at large. These proposed laws deal, as I have said before, with revenues now going to the State that should go to the City. The City should have greater power to govern itself than it has to-day. It is not reasonable that for every privilege or improvement we want we should be compelled to go to Harrisburg and beg the Legislature to help us. We can go, plead and demand it as our right. Just as we secured new legislation in 1905, that gave us the registration law and gave us other reforms, we can now go to Harrisburg and ask for other reforms. I believe you, my friends, the business men of Philadelphia, will help the Administration for the Administration's sake and for your own sake.

One word of warning: A clique of men, formerly in power, who have ascertained that business men's associations can exert great influence, are quiety at work organizing business men's associations of their own, whom they propose to use for their own benefit; business men's associations, so called, intended, however, to be nothing but political associations. Disdain any affiliation with political associations of this character, stand as men who love your families and children, your wives, fathers and mothers, and work for a glorious future of your City.

I am proud to say that to-day, all through the country, the City of Philadelphia is not looked down upon, but is looked up to, because we are doing that which every municipality in our broad land should aim for. Give me good municipal government, regardless of partisan association, and I will give you good State and National Government.

Let us stand together, gentlemen, in this great project, and Philadelphia, the City of Independence, that liberated us from a foreign yoke, will liberate itself and every municipality over our broad land from a domestic yoke, a partisan political yoke, as oppressive and dangerous as any foreign yoke ever was.

With these words, I close my remarks. I thank you most heartily for your attention and for your attendance, and, as you go home, take with you two words, "My City." Love your City as you love your wife, your child, your father, your mother. Go to bed thinking of "My City." Arise thinking of "My City," and the future of Philadelphia will be assured.

ADDENDA

My criticism of the Board of Revision of Taxes having aroused that body, and drawn from its members a reply to a few of the many charges made in my speech, and desiring to be just to the gentlemen composing the Board, I give, herewith, their statement in full, together with the facts on the points in dispute. Each disavowed charge has placed opposite the paragraph containing the charge an initial letter which will be found repeated opposite the answer of the Board of Revision to this charge, as well as opposite my explanation of their answer, with proof sustaining my original charge. By following the initial from page to page, any particular charge and answer can be fully comprehended.

Accompanying these documents is a map, specially prepared to illustrate the remarkable action of the Board of Revision in arbitrarily advancing certain properties on Sixteenth street and on Cherry street, while allowing neighboring properties to remain unchanged, the property advanced in such an extraordinary manner being a property which the City was known to require to complete an arrangement with the Philosophical Society, in the matter of Parkway construction. On this map the areas where no change in assessment occurred in the years 1911 or 1912 show one set of figures in black, the startling advances in the property required by the City being shown in red; the black figures being for 1911, the red for 1912.

STATEMENT OF MR. GRATZ.

"I don't know where the Mayor gets his information," said Mr. Gratz, when he was asked to comment upon the statements of the Mayor.

A "I recall the most flagrant instance where he is in error. This is the case of the Philadelphia Driving Park, at Point Breeze. He says that this property is assessed at $39,000. As a matter of fact, it is assessed at $95,000. That is just one case."

STATEMENT BY THE BOARD OF REVISION OF TAXES.

"In corroboration of the statement made by the Board of Revision that the Mayor's speech at the Bellevue-Stratford last Monday evening contained many inaccuracies and much that is misleading, the following facts

in relation to a few properties specifically mentioned by the Mayor are submitted to the public.

C "Southeast corner Thirteenth and Cuthbert streets. Since the 1912 assessment was made, work began on the construction of the Vendig Hotel at the northwest corner of Thirteenth and Filbert streets. This had the effect of booming all values in the immediate neighborhood, and as a result the assessment was increased for the current year to $55,000.

D "Northwest corner Thirteenth and Cherry streets.—The records do not show that this property has been sold. The Buck estate also denies it has been sold. The Mayor's expert evidently obtained this information from a rumor printed in one of the morning papers. This property is assessed for $80,000 for 1913.

B "1420-26 South Penn Square.—The deed conveying the Standard Cab stables, 1420-26 South Penn Square, recites a consideration of $800,000, not $850,000, as the Mayor's informant has it. The assessed value for 1913, based on this transaction, has resulted in an increase of the assessment from $600,000 to $750,000.

E "1703 Spring Garden street.—The records show that on May 7, 1910, this property was sold for $7,800. Subsequently a mortgage of $8,000 was placed upon it, and June 21, 1911, it was conveyed for $9,500. November 22, 1912, this property was conveyed for $4,000, subject to a $10,000 mortgage. The assessors have totally disregarded this last sale in fixing the assessment, as they consider it inflated. There have been no increases in that neighborhood in recent years, which is shown by the sale of 1731 Spring Garden street, a much handsomer residence, in May, 1912, for $11,000. This lot is 30 by 170 feet, to Brandywine street, while 1703 is only 95 feet, without any rear frontage.

"1901-03-05-07 Vine street, 300, 302, 304, 306 North Nineteenth street, and 1906, 1918, 1922, Wood street were acquired by the City for the Free Library site, and if excessive prices were paid it is the fault of the City and not the Board of Revision.

F "Northwest corner Magdalena street and Monastery avenue.—This property, known as the Indian Rock Hotel, does not appear to have been sold for $40,000. The owner may have held it at that sum. On the first Monday of December, 1912, it was sold at Sheriff's sale for $15,300. The purchaser neglected to comply with the

terms of the sale, and as a result it will again be offered by the Sheriff at the next sale in February.

G "Northeast corner Reading Railway and Ridge avenue, Twenty-first Ward.—This is an irregular lot, which the City requires for a proposed improvement. The owners have placed a prohibitive value of $6,000 on it, although every one conversant with conditions in that neighborhood admits that its actual value, by reason of its not having any outlet, is not much more than its assessed value.

H "1418 Walnut street.—Since the $128,000 assessment was placed on this property, work began on the construction of the Ritz-Carlton Hotel, the Stock Exchange and the Manufacturers' Club. This has had the effect of greatly booming values in this locality, and as a result prices have jumped since last year. The 1912 assessment of $128,000 has been increased to $175,000 as an unimproved lot, the building that stood there having been demolished.

"Nearly all the other properties mentioned in the speech were purchased by the City after hearin gs by road juries, who very frequently placed values on properties far beyond their actual value, probably actuated by the fact that when the City needs a particular parcel of real estate it should pay the extreme price for it.

I "In connection with the northwest corner of Sixteenth and Cherry streets assessments, the books show that the entire section, whether on the Parkway lines, or the land required for the American Philosophical Society, or on properties opposite, has undergone, since 1911, a general increase in values, as is shown by the following list, and none of these properties will be affected in any way by the improvements contemplated by the City."

	Assessment, 1913.	Assessment, 1912.
1523 Cherry street	$3,300	$4,300
1525 Cherry street	3,300	4,300
1527 Cherry street	3,300	4,300
1531 Cherry street	3,500	4,500
1506 Cherry street	3,500	6,000
1510 Cherry street	2,300	3,000
1526 Cherry street	4,000	6,000
1528 Cherry street	4,300	6,300
1530 Cherry street	4,300	6,300
1534 Cherry street	3,300	5,000
117 North Sixteenth street	10,000	13,000
119 North Sixteenth street	9,500	12,000
121 North Sixteenth street	9,000	12,000
125 North Sixteenth street	9,500	13,000

ANSWER TO STATEMENT OF BOARD OF REVISION.

The matter of a revision of assessments is a question which vitally affects everyone interested in the creation of new port facilities, in the development of improvements in our traction system, in the completion of the Parkway, in additions to our existing highways, our parks, our playgrounds. In other words, it appeals to everyone interested in a greater Philadelphia, because that greater Philadelphia cannot be realized unless new sources of current revenue are discovered sufficient to carry the new loans necessary to bring about the new improvements.

A.—In my speech I called attention to the Philadelphia Driving Park. The valuation for the year 1912, the last valuation on which the City has collected taxes and the latest assessment available when my investigation was made, showed this property of sixty-three acres and thirty-four perches assessed at $39,000, a figure at which it had been assessed since 1907, or for a period of five years.

I called attention to the report of our expert, that a year ago this tract had been sold for $120,000, complaining that, although sold at this price a year ago, it still remained assessed at $39,000, paying taxes on less than one-third of its selling price. I stated further that $100,000 in improvements had been made on the property by the new owners, that it had been further enhanced in value through expenditure necessary to connect the property with water and gas. In short, this property, which had sold, more than a year ago, for $120,000, and had since been improved to the extent of $100,000, made its last payment of taxes to the City of Philadelphia on an assessment of only $39,000. Even this $39,000, which had been the rate for five years, was in face of a reported sale by prominent auctioneers ten years ago, of this same property, for $47,500.

The answer made to this serious arraignment in the published statement of Mr. Gratz, Chairman of the Board of Revision of Taxes, was that the 1913 assessment—that is, the assessment for the present year—was not, as I had stated, $39,000, but $95,000. He cited this as proof of the unreliable character of my figures. I had made no mention of the assessment for 1913; my figures, as he well knew, were the figures on which the property had paid taxes for years, and including 1912. The assessment he

quoted was not made public until after the tenth of January, and the remarkable circumstance is disclosed that the assessment on this property was increased, for the present year, over the previous year on which taxes have been collected, from the figure I named, $39,000 to $95,000, although nothing had occurred in the few months during which the change was being made to justify this tremendous increase in assessment, an increase of nearly one hundred and fifty per cent. Even at the advanced assessment for the year 1913 this property is paying taxes on a valuation $25,000 below the price paid, without taking into account the $100,000 of improvement added since that price was paid.

The situation, therefore, is that this $225,000 property, even after the corrected estimate of the Board of Revision, is paying taxes on $95,000, or less than fifty per cent. of its value, while thousands of homes in the City of Philadelphia, owned by our skilled labor, are assessed at full value, or even from five to ten per cent. above their selling value. The Board's answer, therefore, to my accusation is a distinct confession of the truth of my charge. For years the City, on this property, has been losing two-thirds of the revenue it should have received, and the borrowing capacity of the City has been decreased, on this property, two-thirds of its proper sum.

B.—I stated that the property 1420-26 South Penn Square, reported as sold for $850,000, was assessed, at the time of sale, for only $600,000. To this charge the Board of Revision make answer that the deed shows the price paid for the property in question was only $800,000, in place of the $850,000 quoted by me. Admitting a typographical error in the price of sale reported, even with this error corrected, the property is grossly under-valued, for it was only assessed, at the time of sale, at $600,000, or seventy-five per cent. of its acknowledged selling price. The Board of Revision admits, therefore, that this was a gross under-assessment. It makes this admission not merely in its printed statement, but it confirms its words by acts, reporting in the same statement that the valuation on this property for the present year has been advanced from $600,000 to $750,000, an increase of twenty-five per cent. in one year on this one property; and yet even the corrected and advanced assessment remains $50,000 below the actual selling price admitted as being shown in the deed by the Board of Revision.

Here we have a concrete example of the practice which I condemn. Nothing has happened in the past twelve

months, in Philadelphia or vicinity, to abnormally increase values in the small section of which City Hall is center. The general return made by the Board of Revision for the whole City shows that, in their opinion, the City, as a whole, has enjoyed no appreciation in values; in fact, their assessment for the year 1913 indicates clearly that they believe the general level of real estate values in the City has declined during the year 1912, admittedly the most prosperous year Philadelphia has ever known. This admission is in evidence through the fact that the gross assessment of property for taxation, shown by 1913 over 1912, is $10,000,000 less than the recorded expenditure for new building work during 1912, and less than building operations for the year 1911.

According to their own theory, then, if the advance in total value is only seventy-five per cent. of the known building operations for 1912, then there must have been a decrease in the values of properties existing prior to that expenditure. This fact is important to emphasize, because here we have a Board, charged with the important duty of providing basis for our taxation, that basis for taxation determining not merely our tax rate, but the borrowing capacity of the City. In the case just cited, while this Board makes a general report which indicates the opinion that values for the whole City have declined, they take a specific case and make a twenty-five per cent. advance in their assessments, this line of action being reported in nearly every case criticised by me in my speech, the advances sometimes running to fifty and one hundred per cent. One of two propositions must be true. Either there has been a general appreciation of values and the total assessment should show, for the year 1913 over 1912, a full average increase in general values, consequently justifying these specific advances in property assessments, or there has not been any advance in general values, and these special assessment advances, running to such large percentages, are not justified, but are made to defend an untenable position.

To emphasize the remarkable character of the assessment for 1913, there is the circumstance that a considerable percentage of the increase for the year, small though it be, is due to the fact that the Masonic Temple, assessed at $2,000,000, which has stood for years on the exempt list, has been placed on the taxpaying list. Undoubtedly other properties, formerly exempt, have been so transferred, so that even the small increase shown in the total for 1913 over 1912 must be reduced largely if we are to compare it with the increased valuations shown by 1912 over 1911 and by 1911 over 1910.

In the case of the Masonic Temple, what is responsible for this sudden change of heart? Why this present-day realization that this $2,000,000, for years exempt from taxation, should now be compelled to pay its just proportion of municipal expenses?

C.—Southeast corner of Thirteenth and Cuthbert streets.

I cited as an illustration of under-assessment property located at the southeast corner of Thirteenth and Cuthbert streets, giving its assessed value, for the latest year of record on which taxation had been collected, namely, 1912, as $40,000, the reported sale of this property at $58,000.

The Board of Revision, in answering this charge, says: "Since the 1912 assessment was made, work began on the construction of the Vendig Hotel at the northwest corner of Thirteenth and Filbert streets. This had the effect of booming all values in the immediate neighborhood, and, as a result, the assessment was increased for the current year to $55,000."

This is merely another confession of the charge. The Vendig building operation has been in contemplation for some time. Property has been considered most valuable in this section for years. The actual sale at $58,000 is not denied; the actual assessment at the time of that sale of $40,000 is not denied; all the Board puts up as a defence is the fact that since this sale has been made and the low assessment disclosed to the public, they have increased the assessment for the forthcoming year to $55,000, a price still $3,000 under the sale reported in my statement.

D.—Northwest corner of Thirteenth and Cherry streets. Assessed value quoted by me, $40,000; reported sale, $135,000.

The Board of Revision claim that the records do not show that this property has been sold. The sale, however, was reported in the papers, and the Board admits the justice of the under-assessing charge by its own action in doubling the assessment for the year 1913. In other words, while it considered $40,000 a fair valuation upon which tax should be collected last year, it considers $80,000 a proper value for the property during the present year. Of course, this increase in assessment is due to the circumstance that the owners of the property have shown that they place a value on this property from two to three times the value placed by the assessors sworn to

protect the interests of the City and insure equal treatment to all taxpayers.

E.—1703 Spring Garden street.

As an illustration of under-assessment I cited from twenty-seven separate wards in the City of Philadelphia in order to illustrate that this under-assessment was not confined to any one locality or any one class of property. One of the illustrations in this list was 1703 Spring Garden street, a property which paid taxes during the year 1912, the latest year for which taxes had been collected, on an assessment of $10,000. This property sold for $14,000, or forty per cent. more than its assessment.

Answering this illustration, the Board of Revision of Taxes makes this remarkable statement: "The records show that on May 7, 1910, this property was sold for $7,800. Subsequently a mortgage of $8,000 was placed upon it, and on June 21, 1911, it was conveyed for $9,500. November 22, 1912, this property was conveyed for $4,000, subject to a $10,000 mortgage." The assessors have totally disregarded this last sale in fixing the assessments, as they consider it inflated. The Board says: "There have been no increases in that neighborhood in recent years, which is shown by the sale of 1731 Spring Garden street, a much handsomer residence, in May, 1912, for $11,000. This lot is 30 by 170 to Brandywine street, while 1703 is only 95 feet without any rear frontage." This statement is remarkable because it admits that a sale was made as recorded at forty per cent. above current assessment. It disregards this sale because **it believes** the sale represents inflated prices, and yet, repeatedly, the Board has claimed that sales are the only guide which it will follow, and in many instances—even instances quoted in this defence—it bases its present advance for the year 1913 upon these sales at inflated values. In other words, this is a bold claim to the right of personal opinion on the part of the assessor, even when that personal opinion goes counter to the direct language of the Act regarding assessments. In place of proving my figures inaccurate, the Board admits their correctness, and in refusing to do as they have in other cases, make a further advance for the present year, they justify such action on the grounds that they think the buyer paid too much for the property.

F.—Northwest corner Magdalena and Monastery avenue. This property, assessed for $15,000, was reported sold for $40,000.

The Board, in their statement, deny such a sale, admit

a Sheriff's sale for $15,300, but claim this sale was not confirmed and that property is to be resold. As Sheriff's sales generally bring much less than actual value, the under-assessment of this property is palpable.

G.—Northeast corner of Reading Railroad and Ridge avenue. Assessed at $600, sold for $6,000.

This instance of under-assessment is answered by the Board in the following manner: "Northeast corner Reading Road and Ridge avenue, Twenty-first Ward. This is an irregular lot which the City requires for a proposed improvement. The owners have placed a prohibitive value of $6,000 on it, although every one conversant with conditions in that neighborhood admits that its actual value, by reason of it not having an outlet, is not much more than its assessed value. Here the Board refuses to accept the property owner's **own** valuation, and assesses the property at one-tenth of the owner's price."

H.—1418 Walnut street. Assessed at $128,000; reported sold for $250,000.

The Board of Revision, answering this charge, states: "Since the $128,000 assessment was placed on this property, work began on the construction of the Ritz-Carlton Hotel, the Stock Exchange and the Manufacturers' Club. This has had the effect of greatly booming values in this locality, and as a result prices have jumped since last year. The 1912 assessment of $128,000 has been increased to $175,000 as an unimproved lot, the building that stood there having been demolished."

This answer is a confession of the truth of my charge, for even with a full knowledge of the increased values in the neighborhood brought about by the new building referred to, the new assessment is $75,000 below the price at which the property was reported sold.

I.—I called special attention to the rapid advance in the assessments of properties which the City was expected to buy on North Sixteenth street and Cherry above Sixteenth, in connection with its exchange of property with the Philosophical Society, the properties quoted each showing a tremendous advance between 1911 and 1912. I also cited, as a contrast, seventeen properties in the neighborhood on Cherry street closer to Broad street and, therefore, of greater value, the assessment of which had remained unchanged during the years quoted—1911 and 1912.

Answering this charge, the Board of Revision said: "The books show that the entire section, whether on the Parkway line or on the land required for the American Philosophical Society, or on properties opposite, has undergone, **since 1911,** a general increase in values, as is shown by the following list, and none of these properties will be affected in any way by the improvements contemplated by the City."

Then they proceed to give two tables of assessments for the properties referred to, one being for the year **1912,** the other for the new year **1913,** not one figure being given for the year 1911 mentioned in their answer. This answer confirms everything contained in my charge. The properties I cited had not changed between 1911 and 1912. The properties, they cite, they changed after my investigation, increasing **over the 1912** figures, the figures for 1913. In other words, this series of advances, instead of demolishing my argument or answering my charge, is a direct confirmation of my statement, for the Board admits the properties had heretofore been under-assessed by advancing them for the year 1913, the year in which no taxes have yet been collected. Why did they not postpone advancement of the properties required by the City until this late date?

The Board, in answering a number of other illustrations cited of under-valuation, dodges the question by asserting that the properties referred to were required by the City and therefore purchased at exorbitant prices.

This statement is true, as illustrated by the sale of 1907 Vine street, assessed at $8,700 and purchased by the City, under the previous administration, for $30,000. Comment is unnecessary.

AN INTERESTING COMPARISON

Thirty-year Record of Annual Assessment Increases. Assessing Authority in Other Cities.

Year.	Assessment.	Increase Over Previous Year.	Per Cent of Increase.
1884.....	$583,612,683	$12,129,428	2.1
1885.....	597,785,428	14,172,745	2.4
1886.....	611,309,615	13,524,187	2.2
1887.....	628,679,312	17,369,697	2.8
1888.....	647,213,039	18,533,727	2.9
1889.....	669,507,564	22,294,525	3.4
1890.....	688,713,518	19,205,954	2.8
1891.....	713,902,842	25,189,324	3.6
1892.....	735,396,772	21,493,930	3.
1893.....	752,763,382	17,366,610	2.3
1894.....	769,930,542	17,167,160	2.2

Year.	Assessment.	Increase Over Previous Year.	Per Cent. of Increase.
1895.....	782,677,694	12,747,152	1.6
1896.....	801,028,552	18,350,858	2.3
1897.....	818,827,549	17,798,997	2.2
1898.....	842,330,700	23,503,151	2.8
1899.....	846,516,035	4,185,335	.4
1900.....	880,935,265	34,419,230	4.
1901.....	894,628,974	13,693,709	1.5
1902.....	901,009,664	6,380,690	.7
1903.....	911,968,674	10,959,010	1.2
1904*.....	1,162,074,023	250,105,349	27.4*
1905.....	1,185,899,831	23,825,808	2.
1906.....	1,215,776,334	29,876,503	2.5
1907.....	1,250,688,286	34,911,952	2.8
1908.....	1,287,287,123	36,598,837	2.9
1909.....	1,317,292,053	30,004,930	2.3
1910.....	1,358,675,057	41,383,004	3.1
1911.....	1,458,851,880	100,176,823	7.3
1912.....	1,533,791,867	74,939,987	5.1
1913**	**1,556,323,614**	**22,531,747**	**1.4**

* In this table of assessments, covering the thirty years from 1884 to 1913, annual increase is shown with percentage of increase. Figures given for the year 1904, showing an increase of over $250,000,000, are exceptional, because they represent a special increase in assessments all over the City to bring real estate up to its full selling value coincident with a decrease in the tax rate from $1.85 to $1.50 per hundred dollars.

****It will be noted that the increase for 1913 is but 1.4 per cent. against 2.3 to 7.3 per cent. from 1908 to 1912.**

FACTS WORTH KNOWING.

Assessing Authority in Other Cities.

Boston.—The body charged with the duty of assessing property for taxation in Boston is the Board of Assessors, consisting of seven members termed Principal Assessors. They are appointed by the Mayor for a three-year term and are subject to the approval of the Civil Service Commission. The salary is $4,000 a year, with the exception of the Chairman, who receives $4,500, and the Secretary, who receives $4,200. They are removable by the Mayor for cause. Appeal made against assessments is made to the County Commissioners in Boston, the Street Commissioners acting as County Commissioners, or to the court.

Baltimore.—The Appeal Tax Court, consisting of three men, is charged with the duty of assessing property for taxation in Baltimore. Members of the Appeal Tax Court are appointed by the Mayor, one being appointed each year. During the first six months after appointment, the Mayor has absolute power of removal, but after the six

months' period he can only remove for cause after charges have been preferred. Each member of the Appeal Tax Court receives $3,000 a year. An appeal from assessments made by the Appeal Tax Court can be taken to the City courts.

St. Louis.—Assessment is in the hands of a Board of Assessors. This Board consists of a President, elected by the people for a four-year term and receiving a salary of $3,500 a year, assisted by twelve District Assessors, appointed by the Mayor, for a four-year term, with salary of $1,800 each. The President is removable by the City Councils for cause, and the District Assessors are removable by the Mayor or Councils for cause. Appeal from assessments by this Board of Assessors can be made to a Board of Equalization composed of the President of the Board of Assessors and four real estate owners residing in the city who are appointed to so act by the Circuit Court.

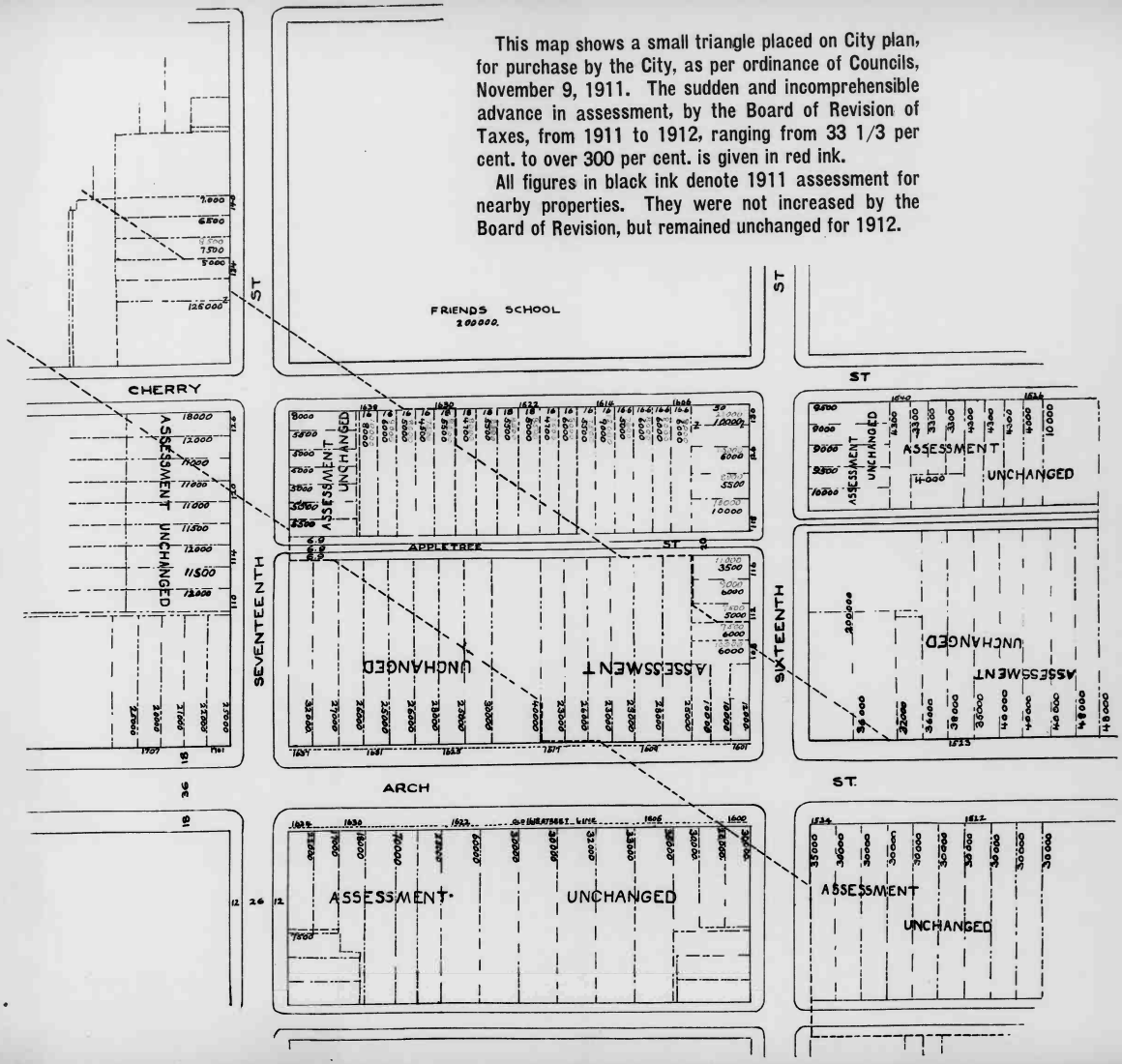
New York.—Assessment is in the hands of a Department of Taxes and Assessment, with a Board of seven members appointed by the Mayor, the President of the Board receiving a salary of $8,000 a year; other members, $7,000. The President of the Board is designated as such at the time of his appointment. No more than five of the seven members of the Tax Board may belong to the same political party, and at least one of them must be learned in the law. The President must be a resident of the Borough of Manhattan. The Board is authorized to appoint forty deputies, distributed among the various boroughs as nearly as possible according to population. No deputy may be assigned to assessment work outside of the borough in which he is an elector, except by a vote of the Board with reason for such assignment entered on the minutes. Deputies are required to inspect every piece of taxable real estate on each annual assessment, and to enter in their reports to the Board the sum for which, in their judgment, each separately assessed parcel of real estate, under ordinary circumstances, would sell if it were wholly unimproved, and separately state the sum for which, under ordinary circumstances, the same parcel of real estate would sell with the improvements, if any, thereon. Annual assessment of real estate is begun on the first Tuesday in September, and records must be opened for public inspection on the second Monday in January and remain open for review and correction until the first of April.

Pittsburgh.—Assessment of property for taxation is under the control of the Board of Assessment and Revision of Taxes of Allegheny County, consisting of three members appointed by the County Commissioners, under Act approved 13th day of June, 1911. Term of office is four years; salary received, $5,000. The Board divides the county into definite districts, appointing subordinate assessors who receive $4.00 per day each. One hundred and forty such assessors are now employed. Assessments are revised by the Board, after revision appeal dates being fixed, when dissatisfied taxables place their case before the Board. Appeal from Board decisions lies to the Common Pleas Court within thirty days of the rendering of such decision by the Board of Revision.

Chicago.—Assessment of property in Chicago and Cook County is in the hands of a Board of Assessors consisting of five members, each member serving six years, two or more being elected every two years. At least one member must come from outside of the City. The salary of each member of the Board of Assessors is $5,000 per annum. There is also a Board of Review consisting of three members, each having a term of six years, one member being elected every two years. The annual salary of each member of the Board of Review is $7,000. This Board corrects and equalizes assessments made by the Board of Assessors.

This map shows a small triangle placed on City plan, for purchase by the City, as per ordinance of Councils, November 9, 1911. The sudden and incomprehensible advance in assessment, by the Board of Revision of Taxes, from 1911 to 1912, ranging from 33 1/3 per cent. to over 300 per cent. is given in red ink.

All figures in black ink denote 1911 assessment for nearby properties. They were not increased by the Board of Revision, but remained unchanged for 1912.



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